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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

X

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Applicant,	:	24 Misc. ____
-against-	:	ECF Case
	:	
ERIC MCKENZIE COBB,	:	
	:	
Respondent.	:	
		X

**SECURITIES AND EXCHANGE COMMISSION'S
APPLICATION FOR AN ORDER TO SHOW CAUSE AND
FOR AN ORDER REQUIRING COMPLIANCE WITH SUBPOENA**

The Securities and Exchange Commission (“Commission”), by its undersigned counsel, respectfully submits this Application for an Order to Show Cause and for an Order Requiring Compliance with Subpoena (“Application”), together with a proposed order to show cause, a memorandum in support, the Declaration of Bennett Ellenbogen, dated April 9, 2024 (“Ellenbogen Declaration”), and exhibits thereto, based on the following:

1. Respondent Eric McKenzie Cobb (“Cobb”), a resident of Spartanburg, South Carolina, has refused to comply with a lawful Commission investigative subpoena. The

subpoena requires Cobb to produce documents and provide investigative testimony in the Commission's non-public investigation entitled *In the Matter of SeaCrest Wealth Management, LLC* (Internal File No. NY-10513) (the "Investigation").

2. On March 11, 2023, the Commission issued an Order Directing Private Investigation and Designating Officers to Take Testimony (the "Formal Order") in the Investigation. Among other things, the Formal Order designates, pursuant to Section 19(c) of the Securities Act of 1933 [15 U.S.C. § 77s(c)] ("the "Securities Act"), Section 21(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78u(b)] (the "Exchange Act") and Section 209(b) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-9(b)] (the "Advisers Act"), certain individuals—including individuals who work in the Commission's New York Regional Office in Manhattan—as officers of the Commission empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the investigation. As this order makes clear, the Commission's statutory authority to conduct the Investigation arises under Sections 19(c) and 20(a) of the Securities Act [15 U.S.C. §§ 77s(c) and 77t(a)], Sections 21(a) and (b) of the Exchange Act [15 U.S.C. §§ 78u(a) and (b)], and Section 209(a) of the Advisers Act [15 U.S.C. § 80b-9(a)].

3. Pursuant to the Formal Order, the Commission is investigating, among other things, whether Cobb or any other person or entity has violated provisions of the federal securities by, among other things, making false statements of material fact or failing to disclose material facts concerning, among other things, trade allocations or trade allocation practices. In particular, the Commission is investigating Cobb, a former employee of SeaCrest Wealth Management, LLC ("SeaCrest") engaged in unlawful "cherry-picking" activity by allocating

winning trades to himself or affiliated accounts, to the detriment of his clients.

4. In connection with the Investigation, the Commission staff since May 2023 has repeatedly served Cobb with investigative subpoenas seeking the production of documents from him, and his testimony before the Commission staff. On May 23, 2023, the Commission staff issued and served on Cobb, by UPS overnight delivery and email, a subpoena for the production of documents. Cobb did not respond to that subpoena or communicate with the Commission staff in any way in response to its follow-up email and phone message. The Commission staff, for that reason, then issued and served Cobb, by email, with another subpoena dated June 6, 2023, again seeking responsive documents as well as investigative testimony. Cobb did not comply with that subpoena and ignored the Commission staff's follow-up emails on June 13 and June 23, 2023.

5. The Commission staff then issued a new subpoena on Cobb for testimony and the production of documents dated June 26, 2023 (the "June 26 Subpoena") and retained a process server to serve Cobb personally with it—which was successfully effected on June 27, 2023. Cobb never responded to, or communicated in any way with, the Commission staff regarding the June 26 Subpoena, and he then ignored the staff's follow-up telephone calls and emails dated July 17, 2023, November 28, 2023, December 12, 2023, and January 10, 2024.

6. The Commission staff then again personally served on Cobb, on February 27, 2024, with a letter dated February 20, 2024, that explicitly advised Cobb that if he continued not to respond to June 26 Subpoena, the Commission might seek judicial enforcement of it:

Please note that if you continue to refuse to produce documents responsive to the subpoena or to contact me to set up your sworn testimony, the SEC may seek to enforce the subpoena in Court.

Please produce all responsive documents and contact me to set up your testimony by March 5, 2024.

Cobb did not respond to that letter.

7. The Commission staff then emailed Cobb again on February 29, 2024, notifying him of adjourned dates for the production of his documents, and requesting he contact the staff to discuss a date for his testimony. Cobb did not respond to that letter, which also reiterated that the Commission might seek judicial intervention for his continuing non-compliance with the June 26 Subpoena. To date, Cobb has not responded to that letter, the June 26 Subpoena, or any of the Commission staff's repeated efforts to communicate with him.

8. The Commission therefore respectfully submits this Application for an Order to Show Cause, in the form attached, requiring Cobb to show cause why he should not be ordered to produce documents and appear for testimony pursuant to the June 26 Subpoena.

9. The Commission further requests that, absent just cause for Cobb's failure to comply with the June 26 Subpoena, the Court enter an Order requiring Cobb to obey the June 26 Subpoena and produce documents, and appear for testimony within thirty (30) days of being so ordered.

10. The Court has jurisdiction over this matter and venue properly lies within the Southern District of New York, pursuant to Section 22(b) of the Securities Act [15 U.S.C. § 77v(b)], and Section 21(c) of the Exchange Act [15 U.S.C. § 78u(c)]. Venue properly lies in the Southern District of New York under Section 21(c) of the Exchange Act [15 U.S.C. § 78u(c)] because this District is the jurisdiction in which the investigation "is carried on."

WHEREFORE, the Commission respectfully requests:

I.

That the Court enter an Order to Show Cause, directing Cobb to show cause why this Court should not enter an order requiring Cobb to produce documents and appear for testimony pursuant to the June 26 Subpoena.

II.

That the Court enter an order requiring Cobb to comply fully with the June 26 Subpoena within thirty (30) days.

III.

That the Court order such other and further relief as may be necessary and appropriate to achieve compliance with the June 26 Subpoena within the time set forth in the proposed Order to Show Cause.

Dated: April 9, 2024
New York, NY

SECURITIES AND EXCHANGE COMMISSION

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